

EXHIBIT “A”

B. Definition

For the purpose of this endorsement only, any definition of "occurrence" is deleted in its entirety and the following definition is added to:

1. COMMERCIAL PROPERTY CONDITIONS,
2. COMMERCIAL INLAND MARINE CONDITIONS,
3. COMMERCIAL CRIME COVERAGE FORM,
4. CRIME EXPANDED COVERAGE (XC) COVERAGE FORM, and
5. GOVERNMENT CRIME COVERAGE FORM:

"Occurrence" means all loss, damage, or a sequence of loss or damage, casualties or disasters arising from a single happening or event.

THE CINCINNATI INSURANCE COMPANY

Mailing Address: P.O. BOX 145496, CINCINNATI, OHIO 45250-5496
 Home Office: FAIRFIELD, OHIO 45014-5141
 (513) 870-2000

NEW

A Stock Insurance Company

Previous Policy No.

COMMON POLICY DECLARATIONS

DECLARATIONS	POLICY NUMBER	CPP 091 44 23 / CPA 091 44 23
NAMED INSURED WESTCOTT ELECTRIC COMPANY, JAMES WESTCOTT P O BOX 278 ADDRESS GLENN RIDDLE PA 19037 (Number & Street, Town, County, State & Zip No.)		
Policy Period: At 12:01 A.M., STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE All coverages except Automobile and / or Garage Policy number: CPP 091 44 23 FROM: 12-31-2004 TO: 12-31-2007 Automobile and / or Garage Policy number: CPA 091 44 23 FROM: 12-31-2004 TO: 12-31-2005		
Agency BIDDLE & CO INS BROKERS 37-113 City NEWTON SQUARE, PA		
Legal Entity / Business Description CORPORATION		
IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY. FORMS APPLICABLE TO ALL COVERAGE PARTS: (show numbers) REFER TO IA901 This is a true & certified copy of the policy. Vicki Long, Assistant Secretary		

RC2 RCAR
 03-10-2005

Countersigned _____ By _____
 (Date) (Authorized Representative)

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. This provision does not apply in Arizona, Virginia and Wisconsin.

Kenneth W. Sticker

Secretary

John Schuff

President

COMPANY COPY

COMMON POLICY CONDITIONS

All Coverage Parts Included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections and Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and

- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer of Your Rights and Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTAL ENDORSEMENT

FORMS AND/OR ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS:

IA102	02/03	IA904	01/92	IA901	01/92	IL0022	05/87
IA4111PA	07/04	IA4189PA	04/99	IL0166	01/99	IL0172	11/93
IL0910	01/81	IP408PA	10/95	IA4226	03/02	IA4236	11/02
IA4238	02/03	IP446	08/01	IA4006	05/99	FM501	06/94
GA501	10/01	CA501	01/92	MA508	01/97	MA524	01/93
MA502	01/97	MA509	01/97	AA501PA	11/03	USC504	09/02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL PER OCCURRENCE DEDUCTIBLE ENDORSEMENT

This endorsement modifies Insurance provided under the following:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL CRIME COVERAGE PART**

The most we will deduct from any loss or damage in any one "occurrence" is the deductible indicated on the Commercial Property Coverage Part Declarations which applies to all causes of loss except Earthquake and Flood.

This endorsement does not apply to:

Specified Losses under the Electronic Data Processing Coverage Form
Water Backup of Sewers or Drains Endorsement
Employee Dishonesty Bond Coverage Form
Forgery and Alteration Coverage Form
Windstorm or Hail Percentage Deductible Form

☐ Other _____

Definition: For the purpose of this endorsement only, the following definition is added:

"Occurrence" means all loss, damage, or a sequence of loss or damage, casualties or disasters arising from a single happening or event.

THE CINCINNATI INSURANCE COMPANY

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

Attached to and forming part of POLICY NUMBER: CPP 091 44 23 Effective Date: 12-31-2004

Named Insured: IS THE SAME AS IT APPEARS ON THE COMMON POLICY DECLARATION

Item Location (address)
REFER TO IA904

COVERAGE PROVIDED					OPTIONAL COVERAGES Applicable only when an entry is made							
Item	Coverage	Limits	Coin-surance	Covered Cause of Loss	INFLATION GUARD (%)	REPLACEMENT COST (X)	REPLACEMENT COST (X)	INCL STOCK (X)	AGREED VALUE (X)	Business Income Indemnity		
										Monthly Limit (fraction)	Maximum Period (X)	Extended Period (Days)
1-1	BUILDING	1,000,000	80%	SPECIAL		X						
1-1	BUSINESS PERSONAL PROPERTY	120,000	80%	SPECIAL		X						
1-1	BUSINESS INCOME W/ EXTRA EXPENSE (ii)	50,000		SPECIAL						1/4		
2-1	BUILDING	60,000	80%	SPECIAL		X						
2-1	BUSINESS PERSONAL PROPERTY	20,000	80%	SPECIAL		X						
2-1	BUSINESS INCOME W/ EXTRA EXPENSE (ii)	35,000		SPECIAL						1/4		

DEDUCTIBLE: \$250.00 unless otherwise stated \$ 500

MORTGAGE HOLDER Item:

FORMS AND/OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART
 FA450 01/98 FM101 01/98 CP0121 06/95 FA4013PA 11/02
 FA237 01/98 FA244 03/99 FA213 01/98

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud by you as it relates to this Coverage Part at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of "loss", the breach of condition does not exist.

C. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same "loss", we will not pay more than the actual amount of the "loss".

D. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all of the terms of this Coverage Part; and
2. The action is brought within 2 years after the date on which the direct physical "loss" occurred.

E. Liberalization

If, within 45 days prior to the beginning of this Coverage Part or during the policy period, we make any changes to any forms or endorsements of this Coverage Part for which there is currently no separate premium charge, and that change provides more coverage than this Coverage Part, the change will be considered as included until the end of the current policy period. We will make no additional premium charge for this additional coverage during the interim.

F. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

G. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered "loss". Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same "loss", other than that described in 1. above, we will pay only for the amount of covered "loss" in excess of the amount due from that other insurance, whether you can collect on it or not. However, we will not reimburse any deductible or difference between Actual Cash Value and Replacement Cost valuations. We will not pay more than the applicable Limit of Insurance.

H. Policy Period, Coverage Territory

Under this Coverage Part:

1. We cover "loss" commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after "loss" to impair them. But you may waive your rights against another party in writing:

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1. Prior to a "loss" to your Covered Property or Covered Income.
2. After a "loss" to your Covered Property or Covered Income only if, at time of "loss", that party is one of the following:

- a. Someone insured by this insurance;
- b. A business firm:

- (1) Owned or controlled by you; or
- (2) That owns or controls you; or
- c. Your tenant,

This will not restrict your insurance.

J. Definitions

1. "Loss" means accidental loss or damage.

THE CINCINNATI INSURANCE COMPANY

HEADQUARTERS: FAIRFIELD, OHIO 45014-5141

A Stock Insurance Company

CRIME COVERAGE PART DECLARATIONS

Attached to and forming part of POLICY NUMBER: CPP 091 44 23 Effective Date: 12-31-2004		
Named Insured: WESTCOTT ELECTRIC COMPANY WESTCOTT ELECTRIC STAFF 401K		
Item Location (address) REFER TO IA904		
Coverage is provided only for the Crime Coverage for which a Limit of Insurance is shown below:		
Coverage Forms Forming Part of This Coverage Part	Limit of Insurance	Deductible Amount
Employee Dishonesty Coverage Form A	\$ 100,000	\$ 500
Forgery or Alteration Coverage Form B	\$	\$
Theft, Disappearance and Destruction Coverage Form C		
Loss Inside the Premises	\$	\$
Loss Outside the Premises	\$	\$
Robbery and Safe Burglary Coverage Form D		
Loss Inside the Premises	\$	\$
Loss Outside the Premises	\$	\$
Safe Burglary	\$	\$
Premises Burglary Coverage Form E	\$	\$
Other	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
	\$	\$
FORMS AND/OR ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART:		
CA401	01/86	CR1000 10/90 CR0001 01/86 CR1027 01/86

Cancellation of Prior Insurance: By acceptance of this Coverage Part you give us notice cancelling prior policy or bond No.

the cancellation to be effective at the time this Coverage Part becomes effective.

QUICK REFERENCE
COMMERCIAL CRIME COVERAGE PART

READ YOUR POLICY CAREFULLY

DECLARATIONS FORM(S)

1. Named Insured
2. Location of Premises or Location No.
3. Coverage, Limits of Insurance and Deductible (if applicable)
4. Endorsements Forming Part of This Policy When Issued
5. Cancellation of Prior Insurance

COMMON POLICY CONDITIONS

- A. Cancellation
- B. Changes
- C. Examination of Your Books and Records
- D. Inspections and Surveys
- E. Premiums
- F. Transfer of Your Rights and Duties Under This Policy

CRIME GENERAL PROVISIONS FORM

- A. General Exclusions
 1. Acts Committed by You or Your Partners
 2. Governmental Action
 3. Indirect Loss
 4. Legal Expenses
 5. Nuclear
 6. War and Similar Actions
- B. General Conditions
 1. Consolidation--Merger
 2. Coverage Extensions
 3. Discovery Period for Loss
 4. Duties in the Event of Loss
 5. Joint Insured
 6. Legal Action Against Us
 7. Loss Covered Under More Than One Coverage of This Insurance
 8. Loss Sustained During Prior Insurance
 9. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate
 10. Non-Cumulation of Limit of Insurance
 11. Other Insurance
 12. Ownership of Property; Interests Covered
 13. Policy Period
 14. Records
 15. Recoveries
 16. Territory
 17. Transfer of Your Rights of Recovery Against Others to Us
 18. Valuation--Settlement
- C. General Definitions
 1. "Employee"
 2. "Money"
 3. "Property Other Than Money and Securities"
 4. "Securities"

COVERAGE FORM(S)

- A. COVERAGE
 1. Section 1.--Inside the Premises
 - a. Covered Property
 - b. Covered Causes of Loss
 - c. Coverage Extensions
 2. Section 2.--Outside the Premises
 - a. Covered Property
 - b. Covered Causes of Loss
 - c. Coverage Extensions
- B. LIMIT OF INSURANCE
- C. DEDUCTIBLE (IF APPLICABLE)
- D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS

ENDORSEMENTS (IF APPLICABLE)

CRIME GENERAL PROVISIONS FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, Declarations or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy:

A. GENERAL EXCLUSIONS: We will not pay for loss as specified below:

1. **Acts Committed By You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
3. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
 - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
 - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
 - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. GENERAL CONDITIONS

1. **Consolidation--Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:

- a. Any additional persons become "employees;" or

- b. You acquire the use and control of any additional "premises;"

any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises," but only if you:

- a. Give us written notice within 30 days thereafter; and

- b. Pay us an additional premium.

2. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

3. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.

4. **Duties in the Event of Loss:** After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

- a. Notify us as soon as possible.

- b. Submit to examination under oath at our request and give us a signed statement of your answers.

- c. Give us a detailed, sworn proof of loss within 120 days.

- d. Cooperate with us in the investigation and settlement of any claim.

5. **Joint Insured:**

- a. If more than one Insured is named in the Declarations, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.

- b. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

- c. An "employee" of any Insured is considered to be an "employee" of every Insured.

- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.

- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.
- 6. **Legal Action Against Us:** You may not bring any legal action against us involving loss:
 - a. Unless you have complied with all the terms of this insurance; and
 - b. Until 90 days after you have filed proof of loss with us; and
 - c. Unless brought within 2 years from the date you discover the loss.
- 7. **Loss Covered Under More Than One Coverage of This Insurance:** If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
 - a. The actual amount of loss; or
 - b. The sum of the limits of insurance applicable to those coverages.
- 8. **Loss Sustained During Prior Insurance:**
 - a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
 - (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred;
 - b. The insurance under this Condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
 - (1) This insurance as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- 9. **Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:** If any loss is covered:
 - a. Partly by this insurance; and
 - b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- 10. **Non-Cumulation of Limit of Insurance:** Regardless of the number of years this insurance remains in force or the number of

premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- 11. **Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity.

However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the DECLARATIONS.

- 12. **Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:
 - a. That you own or hold; or
 - b. For which you are legally liable.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.

13. Policy Period

- a. The Policy Period is shown in the Declarations.
- b. Subject to the Loss Sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

- 14. **Records:** You must keep records of all Covered Property so we can verify the amount of any loss.

15. Recoveries:

- a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this insurance will be distributed as follows:
 - (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
- b. Recoveries do not include any recovery:
 - (1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (2) Of original "securities" after duplicates of them have been issued.

- 16. **Territory:** This insurance covers only acts committed or events occurring within the

United States of America, U. S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

- 17. Transfer of Your Rights of Recovery Against Others to Us:** You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

18. Valuation - Settlement:

- a. Subject to the applicable Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- (a) At face value in the "money" issued by that country; or

- (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

- (2) Loss of "securities" for not more than their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities;"

- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities." However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Value of the "securities" at the close of business on the day the loss was discovered; or

- ii. Limit of Insurance.

- (3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;

- (b) Cost of repairing the property or "premises;" or

- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- b. We may, at our option, pay for loss of, or loss from damage to, property other than "money:"

- (1) In the "money" of the country in which the loss occurred; or

- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

- c. Any property that we pay for or replace becomes our property.

C. GENERAL DEFINITIONS

1. "Employee" means:

- a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and

- (2) Whom you compensate directly by salary, wages or commissions; and

- (3) Whom you have the right to direct and control while performing services for you.

- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an employee.

2. "Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and

- b. Travelers checks, register checks and money orders held for sale to the public.

3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Crime Coverage Form as Property Not Covered.
4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money."

EMPLOYEE DISHONESTY COVERAGE FORM

A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. **Covered Property:** "Money", "securities", and "property other than money and securities".

2. **Covered Cause of Loss:** "Employee dishonesty".

3. **Coverage Extension:**

Employees Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.

C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

2. You must:

a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.

b. Upon our request, give us a statement describing the loss.

D. **ADDITIONAL EXCLUSIONS, CONDITION AND DEFINITIONS:** In addition to the provisions in the Crime General Provisions Form, this Coverage Form is subject to the following:

1. **Additional Exclusions:** We will not pay for loss as specified below:

a. **Employee Cancelled Under Prior Insurance:** Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. **Inventory Shortages:** Loss, or that part of any loss, the proof of which as

to its existence or amount is dependent upon:

(1) An inventory computation; or

(2) A profit and loss computation.

2. Additional Condition

Cancellation As To Any Employee: This insurance is cancelled as to any "employee":

a. Immediately upon discovery by:

(1) You; or

(2) Any of your partners, officers or directors not in collusion with the "employee";

of any dishonest act committed by that "employee" whether before or after becoming employed by you.

b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing.

The mailing of notice to you at the last known address will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions

a. **"Employee Dishonesty"** in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

b. **"Occurrence"** means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.